



The Vermont Legislative Research Shop

upon the feasibility of an employee takeover. The company must then operate in Wisconsin and hold a comprehensive employee stock option plan. The amount of grant assistance given is determined by company size, the management capability of the group and the economic impact of the closing to the community or state.¹

The **Ohio** Employee Ownership Center is another program that provides services to companies interested in the possibility of employee ownership and employee stock option plans. This non-profit University-based program runs out of Kent State and is funded by the Department of Development, private foundation, and dues from participating firms. The program provides significant advice to companies interested in employee stock option plans through a large database of lawyers, investment bankers, valuers, and other professionals who specialize in ESOP services. Through these professionals, the OEOC is able to provide advice on company structure as well as specialized training programs for employee owned companies.²

In **New York**, the Center for Economic Growth provides a Pre-feasibility Study Consulting Program sponsored by the New York State Department of Labor. The program allows for a no-cost restructuring plan advised by personnel with expertise in the area in order to provide assistance to companies with the possibility of selling to employees. Assistance includes consultants working with employee buyout groups working toward developing ESOPs and making a smooth transition to employee owned businesses that will benefit the state of New York.³

Michigan's Department of Labor and Growth also offers assistance and benefits to companies looking toward employee takeover options. Holding more than 300 employee owned companies, Michigan's program provides assistance through consultation work and access to specialists who can provide important information regarding financing options and other useful resources for ESOP companies. While Michigan finds that companies with over 25 employees and a 500,000 payroll are best suited for ESOP plans, smaller firms may also be appropriate for employee ownership.⁴

ESOP Performance

Aside from anecdotal evidence, it is difficult to assess the success of employee takeovers of closed plants using ESOPs. There is research that evaluates the performance of ESOPs overall, but it is important to note that although there

employment stability, and even firm survival.⁵ Numbers pulled from papers that were conducted